

**DRAFT – Minutes from the Gambling Control Board’s Meeting
November 21, 2017
Gambling Control Board Room – Department of Public Safety
9:00 a.m.**

Board Members present: Chair Tim Doyle, Barbara Dresser, Bob Harmon and Greg McNeal
Excused: Al Skolfield

AG’s Office Staff present: Ron Guay and Katie Johnson

Introduction of Gambling Control Staff – Director Champion
Commissioner Morris and Deputy Commissioner Joyeux present

Approval of Minutes of Oct 17, 2017

Motion to approve: Barbara Dresser

Seconded: Greg McNeal

Unanimous vote with one abstention (Bob Harmon)

Executive Director’s Report – Dir. Champion

Dir. Champion introduced to the Board, Lenny Yaskoweak, new auditor to the Gambling Control Unit. Mr. Yaskoweak has over 30 years of experience in the casino industry working with gaming commissions from Nevada, New Jersey, California, Florida, Louisiana, Kansas, Mississippi, New Mexico, Ontario and Windsor Canada and Auckland, New Zealand.

- 1) Operations – In October there were (23) Shipments of machines and/or associated equipment shipped to or from licensed facilities. On site inspectors completed (630) observations, (30) checklists. (6) dispositions of formal reports were sent to Board members for review per statute. There were (7) self-exclusions.
- 2) Dir. Champion is currently reviewing and will have presentations by the licensed business entities Scientific Games of their acquisition of Tech Art and NRT technologies acquisition of Sightline Payments/Interactive LLC in the coming months.

Auditor Report – Donald Berrie

Revenue reports were e-mailed to the Board for October 2017, year to date ending October 31st and the calendar quarters of 2017. These reports also provide comparisons with results for the same time frames in calendar 2016. The Board has also received revenue breakdowns through October 31st. This information is a compilation of data that is also reported on the “Revenue Totals” section of the Gambling Control Board website. Historically tax revenue peaks in the months of July and August and begins to taper off in September. From the bar chart received, this year has been no exception. October tax revenue was \$4,702,000 an increase of \$19,000 basically flat from the year before. Year to date revenue was \$46,426,000 or 1% over 2016. The fourth calendar quarter through October 31st consists of just October revenue. Slot machine hold at both venues continues to be in compliance. The hold is reviewed on a daily, weekly, monthly and quarterly basis.

Revenue Breakdown Analysis

In accordance with legislation passed in 2013, tax revenue allocated to the University of Maine and Maine Maritime Academy is reviewed annually to determine percentages allocated to each based on fall enrollment figures for the coming fiscal year. Enrollment figures have been received, analysis has been performed resulting in an extremely slight adjustment between the two institutions beginning July 1, 2018.

State Police Report – Detective Don Armstrong

As predicted, there was an increase in new applications that came in because of the new hotel opening up at Oxford Casino. There were 36 new license investigations completed. There were 57 renewal licenses investigated and 22 are pending. Det. Armstrong continues to work on investigating two acquisitions of companies and they should be ready to go before the board in January. NRT and Sightline and Scientific Games and TechArt.

Supervisor Gardner and Det. Armstrong conducted oral boards last week for the Bangor Casino inspectors position; and gave their recommendation to Dir. Champion who interviewed their top four. There were 11 thefts – all of which the funds were either recovered or letters were sent out. Bangor had 20 calls for service.

Unfinished Business

Employee Waivers – Dir. Champion

Dir. Champion advised the following: with the cooperation from Oxford and Hollywood casinos; were able to produce documentation of the following;

- Minutes from the meeting held September 21, 2005 produced that the former Executive Director on that date was delegated by unanimous vote of the Board, the authority to issue licenses and waivers to individual applicants.
- A letter with a granted date of December 27, 2006 regarding Elizabeth Hagerman was produced suggesting at that time applications were submitted and a background check was completed which then followed with a waiver of licensure.
- A letter dated June 12, 2006 suggests that at this time individual requests were submitted by the facilities per statute.
- A letter dated May 5, 2008 suggests that a memo of understanding was made regarding inability of a waiver for employees under the age of 21 having access to the gaming floor must be licensed. Pursuant to rule Chapter 8: Slot machine and table Games; Location and Hours of Operations §1, number 1. A person 18 to 20 years of age may be present if that person is a licensed employee pursuant to 8 M.R.S.A. §1015.
- A letter dated June 9, 2008 suggests that through a Memo of Understanding, the waiving process was changed to a weekly reporting by job title of previously approved waivers. This was administered to supersede the need for individual letters of requests.
- Oxford's list of positions showing who is licensed and who has received a waiver, suggests that the last time waiver positions were given was in 2012, except for the recent hotel positions in 2017.

Conclusion: Based on the documentation submitted Dir. Champion recommended the approval of Resolution 9 which will give him the capacity to develop a waiver system in line with statute for the 2019 licensing cycle in conjunction with the Hollywood and Oxford Casino's input.

The Board discussed this at length. Chairman Doyle asked Dir. Champion what he would see as the process if he were to put something in place? Would it be reflective of what has been since 2008 or a different process? Dir. Champion advised, per Statute, we would have to get back to each waiver requested at the normal time of licensure which is for one year. By statute, he would rather do it that way, instead of a one-time waiver for the entire time that the employee is employed.

Chairman Doyle stated that in his mind, Resolution 9 is consistent with what prior Boards have done. The current Board during the past year has been placing delegations in the form of Resolutions. This was done to establish a formal recording in place of delegations being noted in past meeting minutes. He does see

Resolution 9 to be consistent, if the plan is not to rebuild the entire process of what has been done in the past.

Dir. Champion suggested that he thought it should get away from the prior memo of understanding that was given to one facility and not the other, creating inconsistency's in the process not applicable to statute. MOU that was done previously wasn't proper to Statute.

Chairman Doyle – but consistent with what you have described? One letter, listing positions and delegating authority would suffice. Dir. Champion advised “yes” and that he thinks it looks more at the individual person for licensure or waiver per job descriptions or positions. Chairman Doyle advised that seemed reasonable and fair.

A.A.G. Guay advised that he thought the MOU was not lawful or consistent with Statute and a different system needs to be put in place. He would advise that Dir. Champion work with the casinos for the 2018 process and develop something near to what the MOU did, but closer to the Statute. That Statute requires that anyone that works for a Slot machine facility, gaming facility etc. needs to have a license or a waiver, so it's a person level waiver and those need to be given for those individual employees and that's not happening right now. There should be something in each employee's folder, either a license or a waiver.

Chairman Doyle also advised that it's in the Rules, that if an employee who has been granted a waiver, whose job responsibilities change; that it's incumbent upon the licensee and the facility to notify the Board about a change in duties. He also advised that the Regulations also state that facilities can request one or more waivers.

Resolution 9 – Employee License Waiver

Dir. Champion read the Resolve: “The executive director may, upon proper application, grant a waiver from the employee license requirement if the slot machine operator, casino operator, slot machine distributor, table game distributor or gambling services vendor demonstrates to the Board's satisfaction that the public interest is not served by the requirement of the employee license. A denial of a waiver request may be appealed to the Board by the employee or by the entity making the request.”

Motion by Bob Harmon to accept.

Seconded by Barbara Dresser

Unanimous vote

Request from Bob Harmon to have Dir. Champion come back to the Board and report after he's worked with the facilities on this process.

ADW – Rule Development Update – Dir. Champion

Comments were due by Friday, received one comment from Churchill Downs Friday afternoon. He went over the comments, over the weekend and forwarded them to A.A.G.s Johnson and Guay, who haven't had time to review those yet. A.A.G. Johnson advised to table until December meeting, so she has a chance to go over them. The provisional adoption date would be sometime in March, so there is some time. It would be a major substantive rule, so it will go on to Legislature for adoption.

RFP Updates – Dir. Champion

The Central Monitoring System is being reviewed by a third-party consultant firm and is on track for publishing in December or January.

Advance Deposit Wagering 1st draft will be concluded once the rules have been adopted. This RFP will not require a bidder conference.

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RFP Updates continued.....

Financial Reviews were reviewed by the Department of Purchasing and are now back in Dir. Champions' hands for edits. This does not require a bidder conference either. Board member Greg McNeal has also been working on this process.

New Business

Ryan McClellan, SVP Table Gaming Solutions for NRT Technologist presenting the VL Focus Product

This product is technology that goes along with table games that have already been approved, a customer service type product. On the front screen (this sits on the surface of table games), Sports scores, notifications to players, can be a TV, gaming rules are displayed at all times, they can be scrolling or static and visible at all times. The Casino has an opportunity to do some advertising if they wish. On the rear screen, you can change the limits, one module is current events so staff knows what's going on, on the property, promotions, procedural things communicated to staff. Dining reservations is an option, Another component is match play and free play coupons, smoking/non-smoking, ability to send requests instead of floor staff/management going to a phone to call surveillance if a card shuffler is down, a text message can be sent to a phone. Keeps the staff at the table, keeps things secure. This is a Blackjack game, windows system. The dealer would not interact with this, only to sign in. The casino would see what time they sign in, are they late, etc. They can review six months back to see who was at a table at that time. Many options and modules can be implemented by the gambling facility. Both facilities here are interested in the system. NRT is licensed and this is technology and the Board doesn't need to approve the technology.

Outbound Sales Team – General Manager Jose Flores, Hollywood Casino

Mr. Flores addressed the Board to advise them of a new initiative they were doing at Hollywood Casino. Developing and outbound sales initiative. The goal is to offer personalized service to a section of their database that don't currently receive them. They would be contacted by email. The test is currently set up to have an outbound sales team set up in St. Louis Missouri, with some in other states including Maine, who would be responsible for contacting each guest, each given a region of the U.S. These sales hosts will have roles and responsibilities, no access to the casino management system. Read only access to customer marketing system called PUMA. No ability to adjust patron balances, just calling guests who might offer them a complimentary offer or hotel offer or booking them a hotel stay. They may inform them of a promotion going on or other things going on around the properties. These Outbound Sales hosts will not have any discretionary comping privileges, so they can't make decisions based on giving more or offering less. They can only offer the services that have already been determined in the system by the property itself that makes those decisions. These folks are just following up with a phone call, to help make those reservations. The issues of self-excluded patrons came up, those are entered into the casino's management system and fed into Penn's marketing system, so those are visible to the Outbound Sales hosts if any of those folks ever come up. They are also developing some enhancements to their Responsible Gaming program where customers can opt out of any marketing calls or emails. This is something they haven't offered before in Maine. They have gone through the Minimum Control Standards to look for any licensing requirements, so they kicked it over to Milt to see if he can find anything. There is no

recruitment for customers, just current customers who have given their phone number. A customer does have the option to not give their email or phone number when they first sign up.

Discussion by the Board as to whether the licensing of these Penn National employees needed? These are the folks making the calls. Milt will have to decide if they need to be licensed or not. It doesn't sound like any advertising going on, just following up on things that people should have already received

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in their player program. Would have access to an extensive database, so these folks would have that which is considerable. Any advertising, marketing would follow Maine statutes etc. on that.

Public Comment

Don Barbarino, Sanford O.T.B. asked a question of the Board and to A.A.G. Johnson. Asked about the ADW being submitted to Legislature, where it's major substantive.....Is there a requirement that it be there in January at Legislature? It's very critical to the racing industry. We feel some anxiety to get this moving forward quickly in January. Any effort to get it to the Legislature so it makes that first deadline in January would be greatly appreciated. We are a struggling industry, competing in the 21st century, compete with out of state companies taking wages from Maine residents and this equalizes the playing field. A.A.G Johnson advised if the Board does make substantive changes to it, it would have to go back out to Public Comment. Chairman Doyle advised he would foresee it being wrapped up in December.

A.A.G. Guay disclosed that he is also the Attorney for the Maine Harness Racing and may have to cover this in December as A.A.G Johnson will be out for maternity leave. He does not feel it's a conflict but wanted to in full disclosure let the Board know.

Next meeting will be Tuesday, December 19th at the Oxford Municipal Center, following which will be a tour of the new hotel and facility if the Board has interest in that.

Motion to adjourn: Greg McNeal

Second: Bob Harmon

Unanimous

